

Gambling Control Board Meeting Minutes

May 28, 2008

45 Commerce Drive, Augusta, Maine

Meeting opened at 12:35 p.m. held at Bangor auditorium, a tour for the Board to follow of the construction of Hollywood Slots permanent facility.

Board members present: Chairman George McHale, Cushing Samp, Richard Arnold and Larry Hall. Peter Danton absent.

Staff members present: Exec. Director Robert Welch, Auditor Scott Woods and Secretary Kathy Chamberlain.

Legal counsel: Melissa O'Dea, Ass't Attorney General whose last day of being legal counsel to the board is today. Melissa introduced Lara Nomani, Ass't A.G. who will be the board's new legal counsel.

- **Minutes from April 17, 2008 meeting:**

Motion to accept: Cushing Samp moved to accept the minutes from the May 28th meeting

Seconded: Richard Arnold

Vote: 4-0

- **Executive Director's Report – Robert Welch**

Mr. Welch reported that the G.L.I. approved machines are being hooked up at the permanent facility. The Bangor City Council meets tonight at 7:30 for the re-licensure of Penn National Gaming.

- **Financial Update – Scott Woods**

Mr. Woods reported that the finances per month have been a little less lately, but are starting to build up again. Friday and Saturday are still two million dollars played days. Discussion ensued about possibly just emailing the weekly financial report out to the board instead of mailing it. The Board agreed to have it come by email.

- **State Police Activity Update – Sgt. Robin Parker**

Sgt. Parker reported that the Gambling Control Unit had received and processed 86 applications since the April 17th meeting. Sgt. Parker thanked Kathy Chamberlain, Scott Woods and Don Armstrong for all their dedicated work during the height of this influx of applications and tax returns to process. Sgt. Parker's position was cut by the budget and therefore this was his last Board meeting. He will be going to work at the Skowhegan State Police Barracks as a road Sgt.

- **Unfinished Business**

Mr. Welch, per the request of the Board at their last meeting, had drafted a letter to be sent to the various entities who receive a % of monies from the racino revenues. Discussion ensued on which entities should receive the letter and which ones should not. The Board arrived at an agreement that the Commercial Racetracks, OTBs and the City of Bangor should receive the letter of request.

Motion: Cushing motioned that the letter be sent to these three entities.

Seconded: by Richard Arnold

Vote: 4-0

- **New Business**

Mr. Welch presented to the Board Hollywood Slots' revised Internal Controls that provided a new organization chart, listed the new positions and the new physical location. The controls include something new called an automatic jackpot kiosk which distributes money like an ATM. The attendant goes to the kiosk (not the winner). Still any winnings over \$1200.00 have to be reported to the IRS and the form process for that is still the same. This machine has to be GLI approved and is not plugged in until it is approved.

Motion: made by Richard Arnold to approve the changes as presented by Mr. Welch

Seconded by Cushing Samp

Vote: 4-0

- **Public Comments**

Jon Johnson, general manager of Hollywood Slots addressed the Board and advised them that the construction of the permanent facility is on time, everything is moving ahead. Final cost of the facility will be \$132 million and will have 500 employees working there.

Ed Boucher asked several questions about paying excise tax on the value of merchandise won at Hollywood Slots i.e. a motorcycle etc. Excise tax is not paid to HS for such items, only when it would be registered.

Next meeting date – June 25, 2008

- **Meeting adjourned at 12:45 p.m.** Tours of the new facility to be conducted in two groups following the meeting.

Respectfully submitted,

Kathy Chamberlain
Secretary